

AN ACT relating to appropriations and revenue measures providing financing and conditions for the operations, maintenance, support, and functioning of the government of the Commonwealth of Kentucky and its various officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and other state-supported activities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

CAPITAL PROJECTS BUDGET

(1) Capital Construction Fund Appropriations and Reauthorizations:

Moneys in the Capital Construction Fund are appropriated for the following capital projects subject to the conditions and procedures in this Act. Items listed without appropriated amounts are previously authorized for which no additional amount is required. These items are listed in order to continue their current authorization into the 2006-2008 fiscal biennium. Unless otherwise specified, reauthorized projects shall conform to the original authorization enacted by the General Assembly.

(3) New Bond Projects: Bond projects authorized for the first time in this Part which have debt service supported by state General Fund appropriations are authorized in the first year of the biennium. The sale of bonds to finance four projects, Western Kentucky Veterans Center - Alzheimer's/General Care Unit, Acquire Land for Wendell H. Ford Regional Training Center, School Facilities Construction Commission Offers of Assistance, Louisville Arena, and Highway Bonds, shall occur after July 1, 2006.

The sale of bonds to finance the following projects shall occur after January 1, 2007:

- (a) KIA Infrastructure for Economic Development for Coal Producing Counties;
- (b) KIA Infrastructure for Economic Development for Non-Coal Producing Counties;
- (c) Community Development Projects;
- (d) Warren County Fiscal Court Transpark - Rail Spur and Infrastructure Improvements;

- ~~{(e) — Animal Shelters;~~
- ~~{(f) — Kentucky River Authority Locks and Dams Renovation and Maintenance Pool;~~
- ~~{(g) — The Louisville Zoo — Glacier Run} (Veto #4)~~
- (h) New Horse Park Indoor Arena;
- (i) Rockcastle County Vocational and Technical Center;
- (j) Petroleum Underground Storage Tank;
- ~~{(k) — CPE Capital Renewal and Maintenance Pool;} (Veto #4)~~
- (l) KCTCS - Franklin Technology Center Project Expansion; and
- (m) All Agency Bond funded projects.

The sale of all other bonds to finance the remaining projects shall occur after July 1, 2007.

(4) Bond Proceeds Investment Income: Investment income earned from bond proceeds beyond that which is required to satisfy Internal Revenue Service arbitrage rebates and penalties and excess bond proceeds upon the completion of a bond-financed capital project may be used to pay debt service according to the Internal Revenue Service Code and accompanying regulations. Notwithstanding KRS 48.010(13)(b), 48.720, or any section of this Act, any funds appropriated but not required to pay debt service because of this fund source substitution shall be credited to the Statewide Deferred Maintenance Fund account each year. Unneeded debt service resulting from any other circumstance shall lapse in accordance with KRS 48.010(13)(b), 48.720, and other provisions of this Act except for the following: if the fund balance in the Emergency Repair, Maintenance, and Replacement Fund falls below \$5,000,000 in fiscal year 2006-2007, any debt service lapse necessary to bring the fund balance to \$5,000,000 in that fiscal year shall be credited to the Emergency Repair, Maintenance, and Replacement Fund. No transfer to the Emergency Repair, Maintenance, and Replacement Fund, or the Statewide Deferred Maintenance Pool account, shall be made based on the above provisions if the lapse from other General Fund accounts is insufficient to meet appropriations approved in other Parts of this Act.

(5) **Appropriations for Projects Not Line-Itemized:** Inasmuch as the identification of specific projects in a variety of areas of the state government cannot be ascertained with absolute certainty at this time, amounts are appropriated for specific purposes to projects which are not individually identified in this Act in the following areas: Kentucky Infrastructure Authority Water and Sewer Projects; Kentucky River Authority Locks and Dams Renovation and Maintenance Pool; Repair of State-Owned Dams; Land Acquisition; Property Demolition; Guaranteed Energy Savings projects; Wetland and Stream Mitigation; Phase I Tobacco Settlement Agricultural Development Initiative; Community Development projects; Economic Development projects which shall include authorization for the High-Tech Construction Pool and the High-Tech Investment Pool; Infrastructure projects;~~[- the Capital Renewal and Maintenance Bond]~~(Veto #4) Pool; Heritage Land Conservation projects; Flood Control projects; the Parks Renovation Pool; Parks Development Pool; the Statewide Repair, Maintenance, and Replacement Pool; the Education Technology Pool;~~[- the Postsecondary Education Institutions Technology and Equipment Pool; the Postsecondary Education Institutions Research Support/Lab Renovation and Equipment Pool;]~~ (Veto #4) the Local District Health Departments Construction Pool; and University Major Items of Equipment Pools. Any projects estimated to cost over \$400,000 and equipment estimated to cost over \$100,000 shall be reported to the Capital Projects and Bond Oversight Committee. All moneys transferred to the Finance and Administration Cabinet for capital construction from any appropriations, including income from investments, shall be expended, accounted for, and otherwise treated in the same manner as funds appropriated directly to the Finance and Administration Cabinet for capital construction.

D. DEPARTMENT OF EDUCATION

Budget Unit

2006-07

2007-08

1. OPERATION AND SUPPORT SERVICES

001. Kentucky Education Network

Bond Funds	8,900,000	-0-
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The Secretary of the Education Cabinet, the Commissioner of the Department of Education, the President of the Council on Postsecondary Education, the Secretary of the Finance and Administration Cabinet, and the Executive Director of the Education Professional Standards Board shall submit a coordinated implementation plan with timelines and regular progress reports to the Interim Joint Committee on Appropriations and Revenue. All expenditures shall require the prior approval of the Secretary of the Finance and Administration Cabinet.

~~[002. On-Line Assessment~~

Bond Funds	15,000,000	0-
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~~003. Knowledge Management Portal~~

Bond Funds	3,250,000	0-] (Veto #4)
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004. Student Information System

Bond Funds	10,000,000	-0-
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005. Maintenance Pool

Investment Income	675,000	675,000
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006. Rockcastle County Vocational and Technical Center

Bond Funds	1,500,000	-0-
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007. Education Technology Pool

Bond Funds	50,000,000	-0-
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008. Letcher County Central Vocational Center

Bond Funds	2,000,000	-0-
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